

1 U.S. DEPARTMENT OF ENERGY

2 DRAFT EIS PUBLIC MEETINGS

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10 TRANSCRIPT OF A PUBLIC MEETING

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15 The following public meeting was  
16 held in Richton, Mississippi on the  
17 21st day of June 2006, commencing at  
18 approximately 7:00 p.m.

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1     PRESENT:

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3     Mr. David Johnson

4     U.S. Department of Energy

5     Office of Petroleum Reserve

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7     Ms. Karen Fadely

8     U.S. Department of Energy

9     Office of Petroleum Reserve

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25    COURT REPORTER:   Deborah Ann Payton, CCR, RPR

**MR. JACK MOODY:** All right. My name is Jack Moody. I work for the Mississippi Development Authority. First of all, I would like to acknowledge the very thorough job that Dave and his people have done in Mississippi and Mississippi is delighted to have two candidates for consideration in this expansion. As he pointed out, there was a second candidate put into it and, really, we've got two features in Mississippi, very distinct, very different, and can serve two different purposes, in a sense. Where we are, it's got the biggest, prettiest, shallowest piece of salt anywhere in Mississippi. It's a fabulous natural resource with tremendous storage capacities, but as you saw, the plumbing involved in this is quite extensive, so it would take two different views of our two different sites. One would be a very long term, very major, strategic decision here, money going in up front, investing in something very big, but that's what y'all live on top of in the Richton salt dome; tremendous capabilities. We've got room in there. Our state geologist and one of his staff is with us. They've put out publications. I think Stan published a summary of all of our salt domes here in Mississippi just a few years ago and that document puts about 5,800 acres under -- above 2,000 feet in the salt. That's a lot of storage capability. So, again, the Richton site, you would have to think of almost building an interstate. It's the type of investment the government looked at, and yes, it's big; yes, it's expensive, but oh, when it gets done, it's going to do a great job. The other site that we have at Bruinsburg on the river, as Dave pointed out, is a smaller site. On a good day, you could put 160 million barrels in it. That's a yawn for the Richton site. Oh, yeah, it's a good beginning, but when we're really going to get going, you know. But there are two different sites and it will be up to his office and the amount of monies that they have going. But we, in Mississippi, are also saying we think it's a good idea. As you saw from those maps, the Strategic Petroleum Reserve is located on the coast and both of our sites are geographically removed from the coast, geographically removed from surge influence that the hurricanes will bring. NOAA, which is the National Oceanic and Atmospheric Administration, has put out on its site that hurricane seasons are cyclical, just like everything else in life, and we have been in one of those really nice, low-intensity cycles for about 30 years and we are embarking -- starting about two seasons ago, on our next high-intensity, high-frequency cycle. So, that goes back to, we would politely -- we're going to put our best foot forward, that we would hope the DOE would take that into consideration. The Strategic Petroleum Reserve, we think it would be a strategic move to geographically pull part of that off of the coast and be able to serve the Midwest in the event that we had a repeat of a Katrina-type situation, but something, whether it would be a foreign import interruption or whether it would be domestic difficulties from natural disasters. But nevertheless, we would be removed from the coast and be able to continue to contribute to the stability of the country while they're dealing with whatever problems developed. But again, we really appreciate the thoroughness of the review the DOE has given Mississippi and we certainly wish them -- as a country, we wish them the best decision for the good of the country. Thank you.

1 C E R T I F I C A T E

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3 STATE OF ALABAMA)

4 MOBILE COUNTY )

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6 I hereby certify that the above and  
7 foregoing deposition was taken down by me  
8 in stenotype, and the questions and answers  
9 thereto were transcribed by means of  
10 computer-aided transcription, and that the  
11 foregoing represents a true and correct  
12 transcript of the deposition given by said  
13 witness upon said hearing.

14 I further certify that I am neither  
15 of counsel nor of kin to the parties to the  
16 action, nor am I in any way interested in the  
17 result of said cause.

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DEBORAH ANN PAYTON, CCR, RPR

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24 My Commission expires

25 September 10, 2006